



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0565	<b>Title:</b>	Implement Montana veterans supplemental health insurance program
<b>Primary Sponsor:</b>	Furey, Timothy	<b>Status:</b>	As Amended

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$694,186	\$133,576	\$36,163	Undeterminable
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$694,186)</u>	<u>(\$133,576)</u>	<u>(\$36,163)</u>	<u>Undeterminable</u>

### **Description of fiscal impact:**

HB 565 as amended would require the state to pay or reimburse any premiums for up to six months that otherwise would have to be paid by an eligible Montana veteran for individual or family coverage under TRICARE reserve select.

### **FISCAL ANALYSIS**

#### **Assumptions:**

#### **Department of Military Affairs**

1. There are approximately 3,750 members in the Montana Guard and Reserve that are eligible for coverage under TRICARE reserve select.
2. For the purpose of this fiscal note the department assumes that only uninsured members would opt in for TRICARE reserve select.
3. Approximately 22% of Montana residents are uninsured. The department assumes that the same percentage of eligible Montana Guard and Reserve members would be uninsured for a total of 825 currently eligible members.
4. All 825 uninsured currently eligible members would opt into the TRICARE reserve select plan for six months in FY 2010.
5. Currently, one-third of enrollment in the program is member only and two thirds is for a family.
6. Monthly premiums are the same for all ranks of members.

7. Monthly premiums are \$47.51 for member only and \$180.17 for families, for a total of \$112,556 each month for a FY 2010 total of \$675,336 (\$112,556 x 6 months).
8. Based on deployment projections provided by the department, there will be approximately 640 newly eligible members in FY 2011.
9. 140 of the newly eligible members in FY 2011 would be uninsured and would opt in for TRICARE reserve select at the same ratio as assumptions 1-7 for a monthly cost of \$19,121 each month for a FY 2011 total of \$114,726 (\$19,121 x 6 months).
10. Based on deployment projections provided by the department, there will be approximately 100 newly eligible members in FY 2012.
11. 20 of the newly eligible members in FY 2012 would be uninsured and would opt in for TRICARE reserve select at the same ratio as assumptions 1-7 for a monthly cost of \$2,807 each month for a FY 2012 total of \$16,842 (\$2,807 x 6 months).
12. The department does not have deployment projections for FY 2013 and beyond, therefore, no costs are estimated beyond FY 2012.
13. The department would need an additional 0.50 FTE to administer this program.
14. Personal services are inflated 2.5% in FY 2012.

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
FTE	0.50	0.50	0.50	Undeterminable
<b><u>Expenditures:</u></b>				
Personal Services	\$18,850	\$18,850	\$19,321	Undeterminable
Benefits	\$675,336	\$114,726	\$16,842	Undeterminable
<b>TOTAL Expenditures</b>	<b>\$694,186</b>	<b>\$133,576</b>	<b>\$36,163</b>	<b>Undeterminable</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$694,186	\$133,576	\$36,163	Undeterminable
<b>TOTAL Funding of Exp.</b>	<b>\$694,186</b>	<b>\$133,576</b>	<b>\$36,163</b>	<b>Undeterminable</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$694,186)	(\$133,576)	(\$36,163)	Undeterminable

**Technical Note:**

Actual deployment numbers may vary significantly and actual number of eligible members that would opt into TRICARE reserve select may vary significantly from what is projected in this fiscal note.

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*